

Date: 2023-11-03

Subject: **Budget Amendment – Gage Park Construction Project - Ward 3**

Contact: Sean Cressman, Manager, Building Design & Construction

Report Number: Public Works & Engineering-2023-968

Recommendations:

1. That the report from Sean Cressman, Manager, Building Design and Construction to the Committee Meeting of November 29th, 2023, re: **Budget Amendment – Gage Park Construction Project - Ward 3**, be received; and
2. That a budget amendment be approved, and a new activity be established under capital project # 201650-Facilities Repair & Replacement in the amount of \$1,860,000 for various construction improvements at Gage Park, with funding of \$1,760,000 to be transferred from Reserve # 4 Asset Repair & Replacement and the remaining \$100,000 to be transferred from capital project 225893-005 – Irrigation.

Overview:

- **On January 25, 2023, Council approved the budget amendment to commence the limited tendering of refrigeration contractors to replace the refrigeration plant at Gage Park.**
- **The Gage Park ice track project consists of two phases including:**
 - **Phase 1 – involved the critical replacement of the refrigeration plant by November 25, 2023; and**
 - **Phase 2 – includes the ice pad replacement with additional construction activities to be incorporated into the project.**
- **On June 21, 2023, Council authorized staff to commence procurement of a General Contractor for Phase 2 construction at Gage Park.**
- **The award of contract to a General Contractor for Phase 2 is dependent on approval of the budget amendment in the amount of \$1,860,000.**
- **Phase 2 construction includes the ice track replacement, walkway replacement, irrigation replacement, electrical supply upgrade and power distribution.**

- **Phase 2 construction occurs from April to November 2024 and will impact park operations and limit public access. The playground, splash pad and public washrooms will remain open and accessible to the public.**

Background:

On March 30, 2022, Council authorized City staff to commence procurement for replacing the ice pad and piping at Gage Park.

On January 25, 2023, Council approved the initial budget amendment and authorized staff to commence limited tendering of refrigeration contractors to replace the refrigeration plant at Gage Park.

Phase 1 included the refrigeration plant replacement. Phase 2 includes the ice track replacement and other necessary works to be incorporated into the project.

On June 21, 2023, Council authorized City staff to commence procurement of the additional work added to the Phase 2 construction.

Current Situation:

The refrigeration plant replacement is underway with anticipated completion before the last Saturday of November 2023. Award of the contract for Phase 2 is dependent on approval of additional funding.

A tender was released in September 2023 and closed October 2023 to hire a General Contractor for construction of Phase 2 Gage Park works. Five bids were received. A budget amendment of \$1,860,000 is required to proceed with award of Phase 2 construction services. The tender value received is within 10% of the estimated Phase 2 value.

The budget amendment is required for the additional work to the Gage Park ice track replacement project. This work includes future construction that would otherwise have been required soon. Incorporating the work into the current project minimizes future impacts to park operations and events.

The added scope of work includes the following:

- A power upgrade for the site and electrical power distribution throughout the park for events, which is approximately 31% of the increase.
- Replacements of walkways have also been added to the project which is approximately 21% of the funding increase.
- Replacement of the brick enclosure and foundation around the condenser tower as part of Phase 1 which is approximately 6% project cost increase.

- For the remaining increase, 4% is related to the irrigation and 3% is due to additional staff and consulting oversight associated with a phased construction split over two years instead of one.

Overall project funding for both Phase 1 and 2 is currently \$2,850,000, and this report requests an increase of \$1,860,000 for a total revised budget of \$4,710,000. Of the increase amount, \$100,000 was previously approved for irrigation, this report requests those funds be reallocated to this project for bundling of the construction. The funding increase is approximately 65% of approved funding.

The park will be partially closed from April to November 2024 to complete the additional work. During Gage Park’s 2024 partial closure, access to the playground, splash pad and the public washrooms will be maintained. All events scheduled at Gage Park during the closure will be moved to alternate locations.

Corporate Implications:

Financial Implications:

As per the recommendations in this report, a budget amendment is required to create a new activity under capital project # 201650-Facilities Repair & Replacement in the amount of \$1,860,000 for the design and construction of various improvements at Gage Park, with funding of \$1,760,000 to be transferred from Reserve # 4 Asset Repair & Replacement with the remaining \$100,000 to be transferred from capital project 225893-005-Irrigation, subject to Council approval.

The table below provides the latest funding status of the project:

Gage Park Project Funding	Approved Funding	Budget Amendment	Total Funding
201650-55 Replacement of Ice Track	1,288,000		1,288,000
201650-57 & 221650-223 Replacement of Mechanical Equipment	1,562,000		1,562,000
Budget Amendment			
Reallocation from Project # 225893-005-Irrigation		100,000	100,000
Funding for additional work		1,760,000	1,760,000
Project Total	\$2,850,000	\$1,860,000	\$4,710,000

The 2023 Budget included approval of a 3-year capital program and funding plan, which maximized the allocation of anticipated funding availability across planned projects. The approval of this amendment will require reprioritization of capital projects forecasted to be funded against Reserve # 4 Asset Repair & Replacement.

Legal Implications:

Aside from making a decision on whether to cancel this project or approve a budget amendment based on the current project requirements and market pricing, as outlined in this Staff Report, because this is an active procurement section 3.1 of the Purchasing By-law otherwise applies and provides that Council shall have no involvement in specific procurements until a contract has been entered into.

Purchasing Comments:

See Legal Implications.

Strategic Focus Area:

The Gage Park construction project supports Health and Well-being by enhancing an outdoor space to allow increased use for healthy activities. The project also supports Environmental Resilience & Sustainability by utilizing a high level of protection for existing nature within Gage Park to ensure preservation. It also supports Culture and Diversity by increasing the park's functionality as a gathering place and events space.

Conclusion:

This report requests a budget amendment for Phase 2 construction at Gage Park. A tender has been conducted and award to the successful proponent is dependent on approval of additional funding. The project is planned as to limit future disruptions to events after 2024 and to avoid disruption to the winter skating season.

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